PLAYER'S NAVY CUT

CURRENT STATUS

- Research Program in two markets:
  - New York 9 stores - 4.1%
  - San Francisco 8 stores - 0.7%

- Original proposition:
  - Alternative YAMS, Camel, import and American Spirit fighter in specialty stores in "downtown" environment.

- Support:
  - Retailer payments for research cooperation
  - Incentive promotions
  - Semi permanent and temporary POS visibility
  - Mostly self-service

- Recommendation:
  - Expand to test market
  - Reposition more mainstream versus research project

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003

PLAYER'S NAVY CUT

MARKETS CONSIDERED

- New York:
  - Manhattan below 125th Street
  - Hoboken/Brooklyn Heights/Forest Hills
  - Rationale:
    -- Positive performance in test
    -- Style leader city
    -- Moonlight, Lucky Strike

- Seattle:
  - TA minus one rural area (same as Dave's)
  - Rationale:
    -- Camel stronghold
    -- Established tracking (Dave's)
    -- Style leader city

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003

PLAYER'S NAVY CUT

MARKETS CONSIDERED

- More mainstream city requirements:
  - Average Camel/Marlboro SDI's
  - Projectable to Total U.S.
  - Urban area/YAMS presence
  - Low transshipments
  - Able to buy appropriate Media

- Contenders

	Camel	Marlboro	Discount
- Chicago	83	94	61
- Baltimore	67	97	73
- Kansas City	98	95	132
- Pittsburgh	91	87	108
- Cleveland	118	87	93
- Minneapolis	162	108	108

- San Francisco
  - Considering holding off for "natural" PNC in 2nd Half '96.

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003

PLAYER'S NAVY CUT

BUSINESS OBJECTIVES

- Defend PM's corporate YAMS share by flanking Marlboro's growing "big brand" positioning with a smaller trademark that appeals to "individualist" YAMS.

- Leverage a corporate asset with built-in equity.

- Counter competitive "heritage" and specialty entries i.e. Camel, Lucky Strike, Moonlight.

- Selectively pressure competition in specific geographic and demographic strongholds by providing an alternative response vehicle to competitive initiatives:
    - Incentive marketing
    - Matches
    - Bar marketing

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003

PLAYER'S NAVY CUT

POSITIONING

- Audience:
  - Male smokers (LA-34) who reject Marlboro because it's too mainstream. Currently drawn to Camel, American Spirit, imports.

- Strategy:
  - Gain visibility for the brand in pack outlets and leading-edge bars.
  - Support the image with themed incentives and multi-dimensional advertising.

- Assets:
  - Unique, appealing pack which, by itself, communicates:
    - -- Heritage
    - -- Flavor
    - -- Retro chic
  - POS/retail presence and incentives
  - Advertising mystique/retro/urban heritage
  - "Self-discovery" - quiet strategy

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003

PLAYER'S NAVY CUT

STORE DEFINITION

- Generating store counts/distribution objectives

1) Criteria for highest potential store list:
   - Camel highest potential (SDI over 110)
   - Pack outlets
   - Non-ethnic
   - Urban
   - Independent/self-service preferred
   - YAMS presence
   - Import/American Spirit presence

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003

PLAYER'S NAVY CUT

LAUNCH STRATEGY

- Wholesale allowances
- Retailer programs
  - Gratis
  - POS Kits
  - Incentive promotions
  - Retail Heros
- Subjobber program
- Bar nights
- Advertising

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003

PLAYER'S NAVY CUT

WHOLESALER ALLOWANCES

- Introductory allowances and extended terms for initial allocation (based on 12M cases).
  - $12/12M introductory allowance
  - 30 days extended terms
  - $12/12M early acceptance allowance

- Wholesaler Gift
  - Sweatshirt (?)

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003

PLAYER'S NAVY CUT

RETAILER PROGRAMS

- Allowances
  - Initial offer: one free carton w/purchase of five
  - Months 2-6: one free carton per month if display and POS maintained

- POS/Incentive promotions
  - Month 1- Semi-permanent POS - Available for order
    - -- Metal sign (large and small)
    - -- Product glorifier
    - -- 20-pack wire display
    - -- Door decal
    - -- Gravity feed display
    - -- Mini jumbo pack
  - Temporary POS - Kit to retail
    - -- Aged pack poster
    - -- New pack book matches/caddy
    - -- 10-pack set/sell

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PLAYER'S NAVY CUT

RETAILER PROGRAMS - con't.

Month 2:

- 2 pack with lighter promotion (assembled at retail, 20 deals per store).
- Promotion glorifier
- 10 deal display w/lighter fluid dispenser (?)
- Aged pack poster

Months 3-4:

- 75¢ off 2 pack plus postcards
- BB offer for survey responders (name generation)
- Promotion glorifier
- 10 deal display (?)
- Junk shop poster
- Big book matches/caddy

Months 5-6:

- T-shirt w/3 pack
- Aged pack slip box matches/caddy
- Mystical poster
- Promotion glorifier

Months 7-8:

- 3 pack with Coasters tin
- New pack poster
- Logo book matches
- Promotion glorifier

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003

PLAYER'S NAVY CUT

RETAILER PROGRAMS - con't.

Retail Heros

- Small scale Retailer Rewards
- Mystery shopper program
  - If display and POS are up and placed/filled properly
  - Prizes granted to retailer, to TSM/UM via fulfillment center
    -- Sweatshirt
    -- Jacket
  - All winning stores entered into "Party Boat" trip sweepstakes

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003

PLAYER'S NAVY CUT

SUBJOBBER PROGRAM

- Kits available w/POS and cartons to non-workload accounts.

  - Carrier case
  - 10-pack set sell
  - Poster
  - Small metal sign
  - Door decal
  - Matches
  - 4-5 cartons

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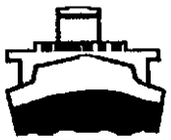
Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003



PLAYER'S NAVY CUT

BAR PROGRAM

- Image enhancing presence in selected bars.
- Bars that carry brand for sale can receive:
  - Chalkboard
  - Metal sign
  - Mirror
  - Pack glorifier
  - Wire rack display or lockbox
  - Matches
  - Coasters
  - Napkins
  - Disposable ashtrays

- Bar nights available to top bars
  - Entertainment sponsorship
  - Incentives for purchase
    - -- Pewter ashtray
    - -- Playing cards
    - -- Lighter
    - -- T-shirt
    - -- Tin

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003

PLAYER'S NAVY CUT

ADVERTISING

- Urban Heritage campaign dominant.
- Retro and Mystical as "interruptors".
- Media
    1) Print
        - Copy split in progressive magazines
            -- Rolling Stone
            -- Details
            -- Raygun
        - Alternative ROP - locally
    2) OOH
        - Painted Walls
        - Posted Bills
        - Considering 30 sheet and 8 sheet
    3) Alternative media under consideration:
        - Bar parking lots
        - Postcards in bars
        - Logo stickers
        - Promo Cups

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003

PLAYER'S NAVY CUT

KEY ISSUES

- Interaction with Marlboro
- Portfolio Plan Visibility
  - How to get a "free standing" display within Retail Masters
- FSF workload
  - Players "methodology" of distribution
  - Suggested store list given to FSF
  - Distributors can help
  - Can curtail other programs in markets? (need ic consideration)

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003

PLAYER'S NAVY CUT

NEXT STEPS

- Meeting time(s)
  - Team meetings
  - Logistics meetings

- Finish off research test
  - Last promotion is Coaster Tin - KDC

- Produce materials for February/March.
  - Feb. - POS Drive
  - Mar. - 2-pack w/lighter

- Sales meetings w/o December 11th.
  - Sales brochure produced
  - Need volume projection by 10/27
    - -- Allocations by market and customers
    - -- Packing split

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Source: https://www.industrydocuments.ucsf.edu/docs/zrlg0003